

LISA A. RASMUSSEN, ESQ.
Nevada Bar No. 007491
California Bar No. 207026
LAW OFFICE OF LISA RASMUSSEN, ESQ.
616 South 8th Street
Las Vegas, NV 89101
Tel. (702) 471-6565
Fax. (702) 471-6540
Lisa@LRasmussenLaw.com
Local Counsel for Jessica Gaona, Objector

EDWARD F. SIEGEL
Law Office of Edward F. Siegel
27600 Chagrin Blvd.
Cleveland, OH 44122
Tel. (216) 831-3424
Fax. (216) 831-6584
efiegel@efs-law.com
Counsel for Deborah Maddox, Objector

JOHN PENTZ
2 Clock Tower Place
Maynard, MA 01754
Tel. (978) 461-1548
Clasaxn@earthlink.net
Counsel for Fatima Andrews, Objector

Edward W. Cochran
Cochran & Cochran
20030 Marchmont Road
Shaker Heights, OH 44122
Counsel for Stephanie Swift, Objector

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

In Re:
WAL-MART Wage and Hour
Employment Practices Litigation

THIS DOCUMENT RELATES TO:
All Cases.

MDL - 1735

02:06-cv-225 PMP (PAL)

**APPELLANTS JESSICA GAONA,
STEPHANIE SWIFT, DEBORAH
MADDOX AND FATIMA
ANDREWS' JOINT RESPONSE TO
PLAINTIFF NANCY HALL'S
MOTION FOR BOND FOR APPEAL
(C.R. # 535, 536, 537, 538)**

COME NOW Objectors JESSICA GAONA, by and through her counsel, Lisa A.
Rasmussen, Esq., and Christopher A. Bandas, Esq.; STEPHANIE SWIFT, by and through

Response

her counsel, Edward W. Cochran, Esq.; DEBORAH MADDUX, by and through her counsel, Edward F. Siegel Esq.; and FATIMA ANDREWS, by and through her counsel, John Pentz, Esq., and hereby submit their Joint Response to Plaintiff Nancy Hall's Motion for Bond For Appeal and Other Appropriate Relief to Protect the Class, and its related documents, docket numbers 535, 536, 537 and 538.

RESPONSE IN OPPOSITION TO NANCY HALL'S MOTION

Class Plaintiffs may obtain a bond for anticipated costs under Rule 7 FRAP, but those costs are limited to those set forth in Rule 39 FRAP. The \$715,000 or \$990,000 sought by class counsel are not for costs. Class Plaintiffs' claimed bond costs items are not bondable on appeal under the facts of this case. Under Rule 7 FRAP, a bond cannot include attorneys' fees or administrative costs. Objectors/Appellants' objections to the settlement and Class Counsel's attorneys' fees, and their appeal from the order overruling their objections to the settlement and class counsel's fees, are facially not frivolous and their appeal is highly unlikely to be declared so by the appellate panel.

It is clear that Class Counsel is seeking a \$715,000 or \$990,000 bond in an attempt to stifle objectors' appeal from this court's approval of the settlement and their attorneys' fees. That is not a proper use of the rules relating to bonding, and the Court should not allow it pursuant to Rule 7 FRAP. Class Plaintiffs' are entitled to a bond for the actual costs explicitly taxable pursuant to in Rule 39 FRAP, but not anything more.

A. Neither the Objections to Attorney Fees Nor the Appeals Are Frivolous

The overarching theme of Class Plaintiffs' request for \$715,000 or \$990,00 bond in this case is that Objectors/Appellants' objection to the settlement and class counsel's fees are frivolous, and that Objectors/Appellants counsel are "professional objectors"¹ who pursue objections for improper purposes.

First, an appeal is frivolous if "the result is obvious or if the claims of error are wholly without merit." *DeWitt v. Western Pacific Railroad Co.*, 719 F.2d 1448, 1451 (9th Cir. 1983). The fact that there is a body of federal jurisprudence regarding attorney's fees shows reasonable people often differ

¹ Although class counsel may prefer pro se objectors, or objectors counsel with no experience in class actions, due process, assures objectors the right to professional representation.

1 on this issue. 28 U.S.C. Section 1927, which might support a bond for "vexatious litigation conduct,"
2 is inapplicable to this appeal as it requires "bad faith or intentional misconduct by counsel." Although
3 the imposition of attorney's fees on appeal as a sanction is allowed under Rule 38, it is only available
4 after the appeals court finds the appeal frivolous, and only upon further motion and hearing. 10 Wright,
5 Miller & Kane, Federal Practice & Procedure, §2675; 2675.2 (2001); see also *Azizian v. Federated*
6 *Department Stores, Inc.*, 499 F.3d 950, 960 (9th Cir. 2007).

7 It is well established that whether an appeal is frivolous is solely within the purview of the
8 appellate court, not the district court. *Vaughn v. American Honda Motor Co., Inc.*, 507 F.3d 295, 299
9 (5th Cir. 2007); *Cooter & Gell v. Hartmax Corp.*, 496 U.S. 384, 407 (1990); *In re American President*
10 *Lines, Inc.*, 779 F.2d 714, 717 (D.C. Cir 1985). Only the appellate court has the authority to impose
11 sanctions for a frivolous appeal, *Aizian*, 499 F.3d at 960; *In re Vasseli*, 5 F.3d 351, 353 (9th Cir 1993)
12 citing *In re American President Lines, Inc.* 779 F.2d 714, 717 (D.C. Cir. 1985).

13 In the case of *Azizian v. Federated Department Stores, Inc.*, the 9th Circuit considered the
14 question of under what circumstances a district court may require an appellant to include appellate
15 attorney's fees in an appeal bond. See *Azizian*, 499 F.3d 950. The *Azizian* court determined that a
16 district court may require an appellant to secure appellate attorney's fees in the appeal bond pursuant
17 to Rule 7 only if an applicable fee shifting statute includes attorney's fees in its definition of recoverable
18 costs. *Id.* at 953. In *Azizian*, the district court had ordered appellants to post a \$42,000 appeal bond,
19 representing \$2,000 in appellate costs under Rule 39 and \$40,000 in appellate attorney's fees. *Id.* at 954.
20 the district court rationalized its inclusion of attorneys fees in the appeal bond by concluding that the
21 Court of Appeal was likely to find the appeal frivolous. *Id.* Appellants tendered the \$2,000 of the bond
22 allocated to costs under Rule 39, but not the \$40,000 allocated to attorney's fees. *Id.* The 9th Circuit
23 eventually found that the appeal should not be dismissed on the merits because appellants had failed
24 to post the full bond required by the district court. *Id.* at 954. In discussing the district court's
25 determination that the Court of Appeal would find the appeal frivolous and therefore award attorney's
26 fees as a sanction under Rule 38, the 9th Circuit stated that "even if we were to conclude that [the
27 appellant's] appeal was frivolous, however, we would reverse the district court's inclusion of appellate
28 attorney's fees on that basis." *Id.* at 960. The 9th Circuit held that the district court's inclusion of

1 attorney's fees in the bond on the grounds that the appeal was likely frivolous was improper for three
2 reasons. *Id.* First, because an award of attorney's fees for a frivolous appeal under Rule 38 is very
3 unusual, and it would be difficult for the district court to gauge whether such an award would be likely.
4 *Id.* Second, if the potentially large sums possible under Rule 38 were included in Rule 7 bonds, the
5 effect would be to chill appeals. *Id.* Third, Rule 38 authorizes the award of attorney's fees as a sanction
6 for improper conduct on appeal, and only the court of appeals may order the sanction of appellate
7 attorney's fees. *Id.* The 9th Circuit concluded that "whether, or how, to deter frivolous appeals is best
8 left to the courts of appeals..." *Id.* at 961. Therefore, there is simply no provision for a district court to
9 make an advance determination that an appeal violates Rule 38, much less authority for imposing a
10 bond to include the anticipated damages and sanctions that the circuit court may ultimately determine.

11 **B. Bondable Costs Do Not Include Attorneys' Fees**

12 Apart from their claim that frivolity of the appeal supports a bond for attorneys' fees, Class
13 Plaintiffs suggests that this Court has the authority to include prospective attorneys' fees as items of
14 Rule 7 FRAP costs. In fact, the majority rule among circuit courts, endorsed by the Second, Sixth,
15 Ninth and Eleventh Circuits, is that a district court may include attorneys' fees in a Rule 7 Bond, but
16 **only if** those attorney's fees would be considered recoverable costs under an applicable fee shifting
17 statute. See *Azizian*, 499 F.3d at 958.

18 This Court now has the opportunity to clarify and update its rule regarding Rule 7 bond orders
19 issued by district courts to bring it in line with the majority view: that attorney's fees may only be
20 included in a Rule 7 bond if the underlying "prevailing party" fee shifting provision of a statute includes
21 attorney's fees as recoverable. This Court also has the opportunity to firmly establish appellate court
22 precedence in the determination of whether an appeal is frivolous, in concert with at least three other
23 circuits by holding that the appellate courts are the best forum in which to determine whether an appeal
24 is frivolous, and that district courts have no authority to make peremptory determinations of
25 frivolousness, nor to base bond orders on those predictions. See *Azizian*, 499 F.3d at 960 (9th Cir.
26 2007).

27 ...

28 ...

CONCLUSION

As set forth above, there is no legal or factual support for the imposition of a Rule 7 bond that exceeds the actual costs and it is respectfully requested that this Court issue an Order denying Plaintiff Nancy Hall's Motion, or, in the alternative, limiting any bond that this Court will consider to only the actual costs as set forth herein.

Respectfully submitted and dated this 4th day of January, 2010.

LAW OFFICE OF LISA RASMUSSEN,

/s/ Lisa A. Rasmussen

LISA A. RASMUSSEN, ESQ.
Nevada Bar No. 7491
Local Counsel for Jessica Gaona, Objector

BANDAS LAW FIRM, P.C.,

/s/ Christopher A. Bandas

CHRISTOPHER A. BANDAS, ESQ.
500 N. Shoreline Blvd., Suite 1020
Corpus Christi, TX 78471
Tel. (361) 698-5200
Fax. (361) 698-5222
Cbandas@bandaslawfirm.com
Counsel for Jessica Gaona, Objector

LAW OFFICE OF EDWARD F. SIEGEL

/s/ Edward F. Siegel

EDWARD F. SIEGEL, ESQ.
27600 Chagrin Blvd.
Cleveland, OH 44122
Telephone: (216) 831-3424
Facsimile: (216) 831-6584
efiegel@efs-law.com
Counsel for Deborah Maddox, Objector

/s/ John Pentz

JOHN PENTZ, ESQ.
2 Clock Tower Place
Maynard, MA 01754
Telephone: (978) 461-1548
Clasaxn@earthlink.net
Counsel for Fatima Andrews, Objector

COCHRAN & COCHRAN

/s/ Edward W. Cochran

EDWARD W. COCHRAN, ESQ.
20030 Marchmont Road
Shaker Heights, OH 44122
Counsel for Stephanie Swift

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Appellants' Jessica Lynn Gaona, Stephanie Swift, Deborah Maddox and Fatima Andrews Joint Response to Plaintiffs' Motion for Bond has been served via CM/ECF upon the following persons:

Co-Lead Class Counsel

Robert J. Bonsignore, Esq. rbonsignore@bandblaw.net

Co-Lead Class Counsel

Carolyn Beasley Burton, Esq. cbeasley@beasleylawgroup.biz
& Counsel for Plaintiff Nancy Hall

Wal-Mart Class Counsel

Naomi Beer, Esq. beern@gtlaw.com

Adriana Contartese
adriana999@juno.com

Ann Miller
am@attorneyannmiller.com

Arthur Y. Park
apark@ppyrlaw.com

Barbara A. Petrus
bpetrus@goodsill.com,

Barry M. Klayman
bklayman@cozen.com

Bernard J. Bobber
bbobber@foley.com

Bradd N. Siegel
bsiegel@porterwright.com

Bradley D. Bonner
brad@bonnerstinsonpc.net

Brendan V. Johnson
brendan@jhmmj.com

1	Brian Duffy	Brian C. Buescher	Brian W Boschee
2	duffybg@gtlaw.com	Brian.Buescher@kutakrock.com	bboschee@nevadafirm.com
3			
4	Carol P LaPlant	Carolyn K. Gugelyk	Christopher P. Welsh
5	carollaplant@msn.com	cgugelyk@goodsill.com	cwelsh@welsh-law.com
6			
7	Christopher R. Hedican	Craig O. Asbill	Craig W. Hillwig
8	chedican@bairdholm.com	casbill@carolinalaw.com	chillwig@kohmswift.com
9			
10	Cynthia K. Smith	Daniel A. Kaplan	Daniel D Ambrose
11	cks@montanalaw.com	dkaplan@foley.com	daniel@ambroselawyers.com
12			
13	Daniel E. Rausher	Daniel J. Mitchell	David L. Young
14	danrausher@yahoo.com	dmitchell@bernsteinshur.com	youngd@lanepowell.com
15			
16	Deena Jo Schneider	Dirk A Ravenholt	Don V. Huynh
17	dschneider@schnader.com	lawdirk@aol.com	dhuyh@ppyrlaw.com
18			
19	Donald S Goldbloom	Edmund K. Saffery	Edward F Siegel
20	goldbloomlaw@verizon.net	esaffery@goodsill.com	efsiegel@efs-law.com
21			
22	Ellen E. Boshkoff	Ellen T. Noteware	Eric J Pelton
23	ellen.boshkoff@bakerd.com	enoteware@bm.net	epelton@kohp.com
24			
25	F. Thomas Edwards	Franklin D Azar	Fred Schultz
26	tedwards@nevadafirm.com	kingm@fdazar.com	fschultz@kiva.net
27			
28	Gary R. Scott	Gary S. Nitsche	George Cournty French
	gscott@hirstapplegate.com	gnitsche@attys4u.com	cfrench@fpflaw.com
	Gerald L. Bader, Jr.	Glen W. Neeley	Gregory F. Greiner
	gbader@bader-associates.com	glneeley@yahoo.com	greg_greiner@msn.com
	Ivy L Frignoca	J. Thomas Henretta	James E Whitmire, III
	ifrignoca@lambertcoffin.com	jth@henrettalaw.com	jwhitmire@nevadafirm.com

1	James F Bennett	James M Mullis , Jr	James R. Welsh
2	jbennett@dowdbennett.com	dholloway@mullislawfirm.co	jwelsh@welsh-law.com
3		m	
4	Jay A. Urban	Jeffrey S. Beck	Jeremy Cave
5	jurban@wisconsininjury.com	jeffrey.beck@bakerd.com	cavej@fdazar.com
6	Jill P. Telfer	Jim Odell Stuckey , II	John Pentz
7	jilltelfer@yahoo.com	jstuckey@littler.com	Clasaxn@earthlink.net
8	John C. McLaren	John J Rausch	Joseph C. Kohn
9	john@ppyrllaw.com	rauschlawfirm@dybb.com	jkohn@koh Swift.com
10	Kathleen W. Toth	Kent Hirsch	Kurt D. Williams
11	ktoth@mc2b.com	kent@hirschlawfirm.com	kwilliams@bouse-law.com
12	Lanny H. Darr , II	Laurence William Stinson	Laurent J. Remillard , Jr
13	ldarr@sbkdlaw.com	laurence@bonnerstinsonpc.net	lremillard@ppyrllaw.com
14	Lawrence J Sorohan , II	Lee Bruner	Lindsay Ann Eckes
15	lsorohan@laborlawyers.com	lee@prllaw.com	leokes@hirstaplegate.com
16	Marcia A. Washkuhn	Maria B Glorioso	Mark A Tate
17	Marcia.Washkuhn@kutarock.com	maria@gtorts.com	mtate@cartertatelaw.com
18			
19	Mark C. Choate	Mary K. Schug	Matthew T. Tobin
20	markcchoate@yahoo.com	schugm@lanepowell.com	matt@sdtrustco.com
21	Melissa Carol Hinton	Michael Reiss	Michael J. Killeen
22	mhinton@dehs.com	mikereiss@dwt.com	mikekilleen@dwt.com
23	Mike J. Miller	Nathan R. Long	Pamela R. Mullis
24	mjm@solbergllaw.com	nate@echohawk.com	prmullis@mullislawfirm.com
25			
26			
27			
28			

Paul Blankenstein
pblankenstein@gibsondunn.com

Paul Alexis Del Aguila
delaguilap@gtlaw.com

Paul C. EchoHawk
paul@echohawk.com

R. Deryl Edwards , Jr
rde417@hotmail.com

Richard P Batesky , Jr
rpbatesky@aol.com

Robert Carl Jarosh
rjarosh@hirstapplegate.com

Robert K. McCalla
rmccalla@laborlawyers.com

Robert W Mills
rwm@millslawfirm.com

Roberto Antonio Lange
rlange@dehs.com

Rodney P. Bridgers
Bridgersr@fdazar.com

Ronald Kilgard
rkilgard@kellerrohrback.com

Rudy A. Englund
englundr@lanepowell.com

Sammi V. Anderson
sanderson@mc2b.com

Samuel K. Rudman
srudman@lambertcoffin.com

Stacey E. Tjon
set@solberglaw.com

Stephen M Smith
ssmith@braininjurylawcenter.com

Susan Brunick Simons
ssimons@dehs.com

Thomas A Nicholas , III
tnicholas@hirstapplegate.com

Thomas Henry Johnson
thjatty@windstream.net

Thomas J. Kenny
thomas.kenny@kutakrock.com

Todd S. Collins
tcollins@bm.net

Tonya L Melnichenko
melnichenkot@fdazar.com

Troy N Giatras
troy@thewvlawfirm.com

Vincent J Glorioso , III
trey@gtorts.com

Vincent J Glorioso , Jr
lawclerk@gtorts.com

Wayne D. Parsons
mdodge@alohano.com

William J. Kilberg
wkilberg@gibsondunn.com

/s/ Lisa A. Rasmussen

Lisa A. Rasmussen, Esq.